DISTRIBUTION AND PURCHASE OF INTELLECTUAL PROPERTIES FROM USER LOCATIONS

In the Drawings:

Submitted with this Amendment and Response are proposed corrections to Figure 1 in the form of proposed legends. On approval of the proposed drawing correction by the Examiner and the Patent Office Official Draftsman and on indication of allowable subject matter, formal drawings will be provided incorporating the corrections to Figure 1.

In the Claims:

The following represents a response to the indications by the Examiner that claims of the Applicants may not be sufficiently different and unique enough to differentiate them from Prior Art. Initially, the response summarizes the unique purpose for the invention. Then it will focus upon how the invention of the applicants differs from prior art.

A. *NATURE OF CLAIMS*

The following represents amendments which the applicant would wish to make in the referenced claims as previously filed (the paragraph numbers refer to the number of the claim as contained in the previous application filed as a continuation in part to application #08/296,120 filed August 25, 1994 as a continuation in part to application #07/787,536 filed November 4, 1991):

3. A system in accordance with Claim 1 wherein said local unit further comprises a memory interface which is configured to receive and interface with a user memory storage unit and said local unit is further configured to utilize information stored on said user's memory storage unit together with information stored on the memory of the local unit to finally encrypt information downloaded to the user

memory storage unit so that the information after being down loaded is only readable by a specific user's reading hardware.

12. A system in accordance with Claim 11 wherein said local unit is configured to perform some point-of-sale functions, such as downloading of information for permanent storage on user memory storage medium for unlimited use by purchasing user; recording of sales; preparation of invoice or sales slip; processing payment electronically either as charge transaction or debit card transaction; storing sales information for later retrieval; and other similar operations.

13. A system in accordance with Claim 11 wherein said local unit is configured to perform at least some point-of-rental functions, such as, the downloading of information for storage on user memory storage medium in conjunction with activation of "auto erasure" mechanism which will allow user access to information for a specific period of time; recording of rentals; preparation of invoice or rental slips; processing payment electronically either as charge transaction or debit card transaction; storing rental information for later retrieval; and other similar operations.

14. A system in accordance with Claim 11 wherein said local unit is configured to perform at least some subsystem functions such as providing memory storage space for data generated at the local unit; providing processors to assist in the processing of data between the central computer system, through and around the local unit and downloading to the user storage medium; allowing data entry (both as numerals and characters); storage and operation of certain basic software (character generation, hardware configuration information, data processing operations, and similar types of software); and other related items.

15. A system in accordance with Claim 11 wherein said local unit is configured to perform at least some promotional delivery system functions such as the continual display of video and/or audio advertising copy; the issuing of discount coupons offering discounts on products and services; the displaying of video descriptions of selected products and services for reading by users; the display and operation of electronic catalogs and shopping guides; the retention, storage and transmittal upon request of information linking a specific operation of the local unit to a specific user for a specific period of time; and other similar advertising and marketing activities.

16. A system in accordance with Claim 11 wherein said local unit further comprises a memory interface which will interface with a user's memory unit (a special data storage memory cartridge or cassette) and which, by using information stored upon the user memory storage medium and upon the unique user card issued to specific users, will uniquely dynamically encrypt any data as it is being downloaded from the local unit for storage onto the user memory storage medium enabling said data so encrypted and stored to only be read by a particular reading device,

17. A system in accordance with Claim 16 wherein some of the information stored on a user's memory unit comprises a personal signature code number and serial number which will be used by the local unit, in conjunction with other information, during the downloading process to uniquely encrypt the data being download so that it may only be read by a specific reading unit.

B. *DIFFERENCES OF APPLICANT CLAIMS TO PRIOR ART*

Below is an itemized listing of responses to the inquiry of the Examiner regarding why the Applicant system is substantially different from prior art. The list covers all prior patents and articles describing inventions or concepts copies of which were sent by the Examiner with the aforementioned letter. For reading convenience, the various responses have been listed in the same order as sent by the examiner.

Title: The Heller Report **Publication Date: October, 1993**

The initial response to the question raised regarding "The Heller Report" issue of October, 1993 is to point out that the present application represents a continuation in part of an application filed August 24, 1994 which represented a continuation in part of an application filed November 4, 1991. Both applications contain the basic concepts of the device which is briefly described in the Heller Report publication. The original application was filed almost 2 years before The Heller Report issue in question was published and the initial continuation in part was filed within a year following the publication of the report in question. Therefore with regard to the present application, the Heller Report does not disclose prior art.

A second response to the question raised regarding the "The Heller Report" issue of October, 1993 is that the item described in the Heller Report issue is substantially different from the system described in the present patent application. The item described in the Heller Report issue is a device capable of allowing the visual reading of information electronically stored on unique user memory units. The item described in the present application is a unique system or network by which intellectual properties may be electronically transferred from the creator or owner to persons wishing to purchase the unlimited or limited use thereof in a fashion which reduces the risk of unauthorized or uncompensated use of the information being transferred. An analogy of the differences involved would be that the relationship of the device described in the Heller Report issue to the item described in the application is similar to the relationship of a gasoline pump to

a gasoline distribution system. While both can function as a part of the same unit, both can function separately.

Applicant: Jose Gutman, et al. **Name: Electronic Wallet**

Filed: 12-24-90 Issued: 6-22-93 Pat #: 5,221,838 App #: 632,714

Nature of Gutman Patent: The Gutman device represents a user device for electronically receiving, storing and transmitting financial data and short related messages through existing unrelated data transfer systems or networks (i.e. telephone lines, microwave systems, cellular systems, satellite link-ups, etc.). The storage capabilities of the device are configured to conduct user generated financial transactions and short text messages.

Differences Between Gutman Patent and Applicant Invention: There are the following basic differences between the device described in the Gutman Patent and the Applicant Invention:

1. While the Gutman device represents a user device for the receipt, storage and reading of financial information and related short text messages in electronic form, the Applicant Invention represents a network and related hardware and software for the receipt and distribution of intellectual properties comprised of many bytes of data electronically.

2. While the Gutman device is to be used in connection with an unrelated network for the transmission of data electronically, the Applicant Invention represents an integrated closed network for the electronic transfer of data representing intellectual properties comprised of many bytes of data.

3. While the Gutman device is not physically configured to make it suitable for reading or viewing intellectual properties comprised of many bytes of data, the Applicant invention is a closed network whose principal purpose would be the electronic transmission of such intellectual properties comprised of many bytes of data.

4. While it would be reasonable to assume that the Gutman device will be principally used by the end user to interface with electronic networks or devices of

unrelated persons to receive, store and transmit data related to the user electronically, Most likely, the Applicant invention would represent a closed integrated network for the transfer of intellectual properties for the creator or owner to one or more persons desiring to purchase or lease the use of the data being transferred.

5. While in the case of the Gutman device the data involved is not what is being purchased by the user, in the case of the Applicant invention the data is what is being purchased.

App.: Henry G. Pajak, et al. Name: Hierarchical Shared Books With Data Base

Filed: 09-07-90 Issued: 2-7-95 Pat #: 5,388,196 App #: 578,384

Nature of Pajak Patent: The Pajak invention represents software and related memory storage and processing hardware designed for a the limited purpose of allowing multiple users on a computer system containing central memory storage with multiple interface terminals to simultaneously access and do work with single data bases within the central memory storage. Secondarily, the invention will allow terminal entry of data into existing data bases and allow special encoding that while allowing access to read data upon a data base will restrict multiple access to enter changes to existing data bases stored in the system.

Differences Between Pajak Patent and Applicant Invention: There are the following basic differences between the device described in the Pajak Patent and the Applicant Invention:

1. While the Pajak invention represents a computer programming whose purpose is to allow multiple access to single data bases stored within a central memory storage unit from multiple locations on an orderly basis, the Applicant invention represents a network system for the electronic transmittal of intellectual properties comprised of many bytes of data.

2. While the Pajak invention operates in connection with an existing single proprietary based computer network with multiple access terminals to allow specific functions to occur between multiple terminals and central computer memory at the same

functions to occur between multiple terminals and central computer memory at the same time, the Applicant invention represents a computer network designed to facilitate the electronic transfer of intellectual properties comprised of many bytes of data.

3. While the Pajak invention is generally designed to facilitate the use of an existing computer network with multiple terminals and a central memory storage unit for the benefit of the proprietor of the computer network, the Applicant invention represents a computer network whose principal purpose is to facilitate the transfer of data electronically for the benefit of persons other than the proprietor of the computer network.

4. While in the case of the Pajak invention, the ability to restrict access to data entered into the central memory storage area is oriented to promote the interests of the end user of the data involved; in the case of the Applicant invention, the ability to restrict access to the data transferred is for the benefit of the owner or creator of the intellectual property being electronically transferred.

Title: A Methodology For User Centred Link Structures For Textbook to Hypertext Conversion

Publication Date: January, 1992

The initial response to the question raised regarding "A Methodology For User Centred Link Structures For Textbook to Hypertext Conversion" (Methodology) issued January of 1992 is to point out that the present application represents a continuation in part of an application filed August 24, 1994 which represented a continuation in part of an application filed November 4, 1991. The original application was filed before Methodology was published Therefore with regard to the present application, Methodology does not disclose prior art.

A second response is more basic then the first. Methodology relates information which the author believes reflect the end features which Hypertext conversion of textbooks need to offer in order to be user centered. Methodology does not express or describe the physical means by which the desired end features are to be achieved when printed text is

converted to hypertext or the means by which such hypertext is to be transferred from one physical location to another.

The Applicant invention represents a network by which hypertext and other intellectual properties are electronically transferred between the originators thereof to end users in a manner which is both efficient and relatively safe from unauthorized access or use of the data being transferred after or during transfer.

An analogous comparison between the content of Methodology and the Applicant invention might be a comparison of a list of desired capabilities which an airplane should contain (designated lift speed, weight, cargo capacity, maximum rate of climb, etc.) to a finished airplane having the desired features. The former represents a list of desires which represent nothing capable of being patented, while the latter represents a patentible invention (assuming you're the first to design and produce it).

Title: Visual Interface for Retrieval of Electronic Formed Books

Publication Date: July, 1993

The initial response to the question raised regarding "Visual Interface for Retrieval of Electronic Formed Books" (Visual) issued July of 1993 is to point out that the present application represents a continuation in part of an application filed August 24, 1994 which represented a continuation in part of an application filed November 4, 1991. The original application was filed before Visual was published. Therefore with regard to the present application, Visual does not disclose prior art.

A second response to the question raised regarding Visual is that the item described therein is substantially different from the Applicant invention. Visual describes a specific type of manner in which electronically stored data should be converted to visual images on a video screen (monitor) and a specific method of navigating though the data so stored. Visual does not describe any particular type of hardware configuration and does not described with any specificity the software necessary to generate the desired image configuration upon the monitor. Visual is simply describing a particular type of end

formatting. Visual makes no mention of the specific manner in which the data to be formatted arrived in the storage memory.

The Applicant invention represents a unique network for the electronic distribution of intellectual properties comprised of many bytes of data from the creator or publisher thereof to the user. The application does not describe a particular finished format by which the data so transferred is to be visually displayed upon a user monitor. The exact end formatting is to be principally determined by the creator or publisher of the intellectual property being transferred. The Applicant invention relates to the transmission, storage, and encryption of the software instructions and codes that will generate a visual image upon the monitor of the user reading device in accordance with the specifications of the creator or publisher of the intellectual property in question.

An analogous comparison between the items described in Visual and the Applicant invention might be found in the comparison of the telephone to the long distance network. The former represents a device which when attached to a distribution network will enable one to receive and transmit audio data, while the latter represents the distribution network over which the data is transmitted. While each part can function as a single system, each item may function just as well independently.

Title: Adjustable Access Electronic Books

Publication Date: January, 1992

The initial response to the question raised regarding "Adjustable Access Electronic Books" (Adjustable) issued January of 1992 is to point out that the present application represents a continuation in part of an application filed August 24, 1994 which represented a continuation in part of an application filed November 4, 1991. The original application was filed before Adjustable was published. Therefore with regard to the present application, Adjustable does not disclose prior art.

A second response to the question raised regarding Adjustable is that the item described therein is substantially different from the Applicant invention. Adjustable basically describes software which is designed for a specified purpose, the conversion of

basically describes software which is designed for a specified purpose, the conversion of printed text materials into an electronic format more readily usable by the disabled. Under the program described in the article, persons other than the creator or publisher of the text material to be converted would engage the software described in Adjustable and some suitable means would cause the text material to be converted to an electronic format which would then be converted to a format which would allow better access thereto by persons suffering from certain physical disabilities. Adjustable does not describe any special means of distributing the text data once converted, except to indicate that a special key would accompany any distributed converted material to restrict unauthorized use thereof. Further, Adjustable does not indicate that use of the programming would be restricted to any specifically configured hardware. The principal benefactor from the use of the items described in Adjustable would be the end user of the data converted.

The Applicant invention represents a closed network designed for the electronic transmission of intellectual properties comprised of many bytes of data from the creator or publisher thereof to one or more end users with the data to be viewed by the user in a manner selected by the creator or publisher thereof and with the system containing suitable safeguards to provide against unauthorized use of the data being transferred through the system. Those benefiting from the use of the Applicant invention would not only be the end user of the data being transferred, but would be the creator or publisher thereof.

An analogous comparison between the items described in Adjustable and the Applicant invention would be a comparison between the content of a telephone conversation and the network and related equipment over which the conversation is communicated. The former is not patentible, while the latter is. Further, the conversation does exist apart from the means by which it is being communicated and the network exists apart from the conversations it transmits.

Respectfully submitted.

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